

**Economic Impact Statement**

LSA Document #21-462

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

IC 4-22-2.1-5(a) provides that an agency that intends to adopt a rule under IC 4-22-2 that will impose requirements or costs on small businesses must prepare a statement that describes the annual economic impact of the rule on small businesses after the rule is fully implemented as described in IC 4-22-2.1-5(b).

LSA Document #21-462 proposes to amend 610 IAC 10-1-2, 610 IAC 10-2-1, and 610 IAC 10-2-2 by changing the term "child labor" to "youth employment"; amend 610 IAC 10-1-2 and 610 IAC 10-3-1 by referencing the new law; amend 610 IAC 10-1-4 and add 610 IAC 10-1-5 and 610 IAC 10-1-6 to define terms applicable to the new law; amend 610 IAC 10-3-2 by changing break requirements into recommendations; add 610 IAC 10-5 for new youth employment registration system; and repeal 610 IAC 10-4 regarding work permits.

**Economic Impact on Small Businesses****1. Estimated Number of Small Businesses Subject to this Rule:**

IC 5-28-2-6 defines a small business as a business entity that satisfies the following requirements:

- (1) On at least fifty percent (50%) of the working days of the business entity occurring during the preceding calendar year, the business entity employed not more than one hundred fifty (150) employees.
- (2) The majority of the employees of the business entity work in Indiana.

The proposed rule updates the regulations guiding employers with the Youth Employment System (YES) requirements. The Bureau of Youth Employment (BYE) estimates approximately 10,000 employers in the state of Indiana will meet the definition of a small business and will be required to register. Because the proposed rule will likely impose requirements on small businesses, the BYE is required to prepare this report describing the economic impact of the rule in accordance with IC 4-22-2.1-5.

**2. Estimated Average Annual Reporting, Record Keeping, and Other Administrative Costs Small Businesses Will Incur:**

The BYE estimates that the proposed rule change will not impose administrative costs on small businesses above what is already required by statute. The proposed rule change updates the requirements to align employers with the youth employment law requirements. Accordingly, the proposed rule change is not expected to result in an increase in reporting, record keeping, or other administrative costs.

**3. Estimated Total Annual Economic Impact on Small Businesses to Comply:**

The proposed rule is not expected to impose any total annual economic impact on small businesses to comply.

**4. Justification Statement of Requirement or Cost:**

The proposed rule requirements are necessary to align the regulations to IC 22-2-18.1. There are imposed costs.

**5. Regulatory Flexibility Analysis:****A. Establishment of less stringent compliance or reporting requirements for small businesses.**

The BYE has determined that there are no other less stringent compliance or reporting requirements. Rules must be in place to comply with IC 22-2-18.1.

**B. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.**

There is no difference in regulations between small businesses and other regulated entities and this imposes no additional burden on small businesses.

**C. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.**

The BYE has determined that it is not prudent or beneficial to exempt small businesses from regulations to assure alignment with IC 22-2-18.1.

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